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Grain and Feed

Grains and Oilseeds Update

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Report Highlights:
In MY02/03, Bulgaria expects strong barley exports (350,000 MT) and wheat exports (850,000 MT). Barley production is expected to be record high and of good quality. Production of wheat, corn and sunflower is expected to be higher than in MY01/02 due to favorable weather conditions. The GOB is working towards introduction of wheat export subsidy and earlier establishment of a Grain Intervention Agency, however, funds are not authorized yet.

Includes PSD changes: No
Includes Trade Matrix: No
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Weather

The weather in the period March - July'02 was favorable for the development of both spring and fall crops. After relatively dry soil conditions in March (ref: BU#2005), soil moisture levels improved due to rainfall in April. By the end of April, there was dryness only in Dobrudga in northeast Bulgaria. In May, there was sufficient rainfall which further improved the soil moisture and favorably affected the development of spring crops - corn and sunflower. The May 2002 vegetation index showed a healthy development of fall crops as well. A dry zone is now found only in northwest Bulgaria near Danube river across Walachia in south Romania.

In June, Bulgaria had total surface and subsurface soil moisture content 25-75 mm. Dryer areas were concentrated along the Danube with levels of 10-25 mm. By the end of June/July, the percent of saturation in the upper layer soil moisture was the lowest, 1-10, along the Danube and in the central and northeast parts (major grain areas). Most areas had a range of 10 to 25 percent saturation of soil moisture; a better situation is seen only in the southwest part, which is a non grain area with 25-75 percent. July weather was much dryer than in 2001 (until July 20). However, abundant rainfall in the period July 20 - August 1, provided needed moisture for the spring crops. On the other hand, rains slowed the end of the wheat harvest and jeopardized the quality of non-harvested and unstored wheat due to high humidity.

Production

Wheat

MY02/03 wheat production is expected to be good with estimates varying from 3.3 MMT to 4.0 MMT (MinAg). The AgOffice estimate is based on industry data and is supported by producers' groups - 3.6 MMT. As of July 25, about 60 - 70 percent of all wheat was harvested.

Fall planting in 2001 was done in relatively dry conditions and late. Despite favorable weather in post-planting time, up until harvest, most wheat fields had uneven development and uneven density. Therefore, despite good weather and sufficient fertilization on about 80-95 percent of wheat area, yields are not forecast to be record high. An overall increase in production is caused mainly by greater planted area, stimulated by attractive farm gate prices in MY01/02. The MY02/03 average yields are expected to be 2.9-3.3 MT/HA.

Quality: Warm and rainy weather in May created favorable conditions for the development of pests and grain bugs. Many farmers, who had already enjoyed favorable weather prior to May compared to drought in neighboring Romania and Serbia, neglected the problem and did not use timely and efficient plant protection. Others did not apply pest protection due to lack of funds. The quality of wheat is reduced as most wheat seeds are pock marked and this lowered the gluten content. Powdery mildew and rust were also reported in May.

Very hot weather during harvest in July also reduced wheat quality in some parts of the country. It also

reduced hectoliter mass. As a result, industry reports the percent of milling quality wheat will be lower than in MY01/02. However, the percent of high quality feed wheat will increase. It is estimated that prime quality wheat will account for 5 percent, first quality - 15 percent. Good quality wheat will be about 40 percent; and feed wheat, also 40 percent. It is difficult to compare local grain quality with international accepted grain standards due to lack of coherent and applicable grain grade systems in Bulgaria.

Abundant rains in the last 10 days in July were reported to have a negative effect on non-harvested wheat. Harvesters were unable to enter the fields which is expected to prolong the wheat harvest until the first 10 days of August. Farmers report some germination of non- harvested wheat. The remaining 20-30 percent of total production (not harvested so far) would be of feed quality. Rainy and warm weather in late July increased the risk of mildew, fungi and bacterial diseases.

Barley

Barley planted area in MY01/02 increased due to attractive farm gate prices and better yields compared to wheat over the last two years. Therefore, barley area's increase was higher than for wheat with estimates from 292,000 HA to 358,000 HA (MinAg). No disease or pest infestation was reported. Input use was sufficient and therefore, record production up to 1.1 MMT is expected with average yields about 3.4 MT/HA. Most experts forecast production to be 900,000 MT to 980,000 MT. As of the end July, barley was completely harvested. The AgOffice estimate shown in the production table is based on industry data and independent information collection services. High production, combined with good quality has lead many experts (and the MinAg) to forecast record high exports (see trade section).

Corn

There is a slight revision in MY01/02 corn production data for planted area, from 340,000 HA to 350,000 HA; and for production from 900,000 MT to 870,000 MT. These changes are not significant and are made to reflect more recent and precise statistical data, unrelated to changes in production factors. Average yield for corn is estimated at 2.5 MT/HA, 2.2 MT/HA for non irrigated areas, and 4.5 MT/HA for irrigated corn.

In MY02/03, inefficient production, lack of significant exports, and inability to irrigate, made farmers reduce planted area in 2002 spring. Area planted fell to record low levels of 280,000 HA or a reduction of 18 percent. The decline was from 10 to 30 percent overall with 26 percent in the northeast, the largest corn production region in Bulgaria.

According to a survey among farmers in corn regions, producers expect minimum yields around 2.7 MT/HA up to maximum 4.5 MT/HA. The AgOffice forecast is for average yields of 3.1 MT/HA. Corn fields are often not treated with chemicals and not fertilized. Very favorable weather can slightly increase yields which means that total MY02/03 production may eventually exceed the 2001 level of 870,000 MT.

According to the Bulgarian Biosafety Council, Bulgaria has approved 20,000 HA of test plots for RR/Bt corn. Estimated production from these trial fields is 42,000 MT- 45,000 MT or about 5 percent of total production in MY01/02. Local regulations require biotech production to be exported.

Table#1. Grain and Oilseeds Production Estimates in MY2001/02 and MY2002/03

Grain and Oilseeds Production Estimates in MY2001/02 and MY2002/03				
	Crop Area, HA		Production, MT	
	MY2001/2002	MY2002/2003	MY2001/2002	MY2002/2003
Wheat	1,100,000	1,200,000	3,100,000	3,600,000
Barley	260,000	300,000	750,000	950,000
Corn	340,000	280,000	870,000	870,000
Sunflower	398,000	400,000	392,000	450,000
Note: Ag Office estimates				

Sunflower

MY02/03 sunflower planted area stayed relatively stable at 400,000 HA due to favorable MY01/02 farm gate prices. Planted area increased in major production regions and decreased in regions where climate conditions are not so favorable and yields are usually lower. It is expected that this production concentration will continue in the future.

Production estimates for sunflower have not changed since May (ref:BU#2007). Favorable climate conditions and sufficient rainfall are positively affecting sunflower development. On the other hand, only 30 percent of total planted area is fertilized; 50 percent is treated with herbicides and; only 5 percent is treated against pests and diseases (versus 70 percent in major production areas). Favorable May weather was good for the development of the crop but also led to weed infestation which required higher input use. Farmers expectations are for average yields from 0.9 MT/HA to 1.3 MT/HA. Large, efficient farmers expect very good yields, about 2.5 MT/HA. Rainfalls in July and the forecast for favorable weather in August have given some organizations such as the Vegetable Oil Producers Union reason to be more optimistic. Some producers are forecasting a crop of 500,000 MT.

MY02/03 Supply and Demand

Supply and Demand balances for sunflower were reported in May (ref: BU#2007). No changes are expected at present.

Wheat: There are a wide range of estimates about ending stocks from MY01/02, i.e. from 100,000

MT to 500,000 MT. The AgOffice estimate is based mainly on independent industry data. Estimates for MY02/03 exports do not reflect expected changes in GOB policy on introduction of an export subsidy. The current estimate is based on market analysis for prices, quality, and export flows.

According to the MinAg, the current exportable surplus for wheat is about 1.0 MMT. If the country actually exports this surplus; ending stocks will be reduced to the usual level of 180,000 MT. However, if export efforts do not succeed, MY02/03 ending stocks will significantly increase and depress the wheat market.

Barley: There were no significant MY01/02 ending stocks. Exports are expected to be higher than in MY01/02. Local buyers are expected to purchase 140,000 MT for breweries. Other uses, such as for seeds and for feed, are not expected to change considerably in the current market.

Table#2. MY02/03 Supply and Demand for Wheat and Barley in Bulgaria

MY02/03 Supply and Demand for Wheat and Barley in Bulgaria			
Wheat		**Barley**	
Area, planted, HA	1,200,000	Area, planted, HA	300,000
Area, harvested	1,200,000	Area, harvested	300,000
Beg Stocks	100,000	Beg stocks	50,000
Production	3,600,000	Production	950,000
MY Imports	15,000	MY Imports	0
From the U.S.	0	from the U.S.	0
Total Supply	3,715,000	Total Supply	1,000,000
MY Exports	850,000	MY Exports	350,000
Seeds use	330,000	Seeds	70,000
Food use	1,300,000	Food use	150,000
Feed use	900,000	Feed use	420,000
Total Consumption	3,380,000	Total Consumption	990,000
End. Stocks	385,000	End Stocks	10,000
Total Distribution	335,000	Total Distribution	1,000,000

Trade

MY01/02 grain exports reached 280,000 MT of barley; about 500,000 MT of milling wheat and 260,000 MT of feed wheat or total 760,000 MT of wheat. Some industry sources indicate total MY01/02 wheat exports were close to 800,000 MT.

Wheat

Major MY01/02 export destinations for milling wheat were Italy, 116,000 MT; Tunisia, 58,000 MT; Iran 80,000 MT; and Spain, 60,000 MT. Feed wheat was exported to Portugal, 42,000 MT; Italy 47,000 MT; and Spain, 130,000 MT. Overall, the biggest wheat export markets were Italy with 163,000 MT and Spain with 190,000 MT.

MY01/02 wheat exports were unusual in several ways:

- Slow pace of exports compared to the previous year due to external factors such as Ukrainian competition in the Black Sea region.
- Most milling quality wheat was exported in post harvest time - July/August; feed wheat was exported mainly in February - May period. Unlike in previous years, milling wheat was also exported in the period January - April. Before 2001, Bulgarian grain exports continued only for 5-6 months. Now, thanks to increased storage options, Bulgarian exports are more evenly distributed during the marketing year. This extended export season applies both to milling and feed quality wheat. Another specific MY01/02 reason was higher MY01/02 ending stocks and ongoing attractive prices combined with an "expensive" U.S. dollar.
- Reportedly, the State Reserve sold 100,000 MT to the local market in April 2002 which was also exported by buyers.

In MY01/02, wheat exporters began to seek alternatives to major Black Sea ports, mainly via Danube ports. This trend was further strengthened in MY02/03. Most wheat and barley produced in central and northwest Bulgaria is exported via Danube barges. The major reason for this development is cheaper river freight compared to in-land track and rail transportation as well as consolidation operations of international grain traders in Constantza. This makes FOB Black Sea prices more competitive (including cheaper port fees and greater infrastructure capacity in Constantza). The Danube ports used for Bulgarian exports are not large capacity, but an improvement in infrastructure has been undertaken in recent years. Grain exit ports on the Danube are Svishtov, Tutrakan, Rouse, Lom, Somovit, Silistra, and Oriahovo.

In MY02/03 (i.e. July 2002), wheat exports were slower compared to MY01/02 for several reasons, all related to low domestic prices:

- Weak U.S. dollar which pressed down local farm-gate prices and led to farmers' protests;
- Competition from Ukrainian grain, which had lower FOB Black Sea prices;
- Poor quality of wheat compared to MY01/02;
- High MY01/02 ending stocks and large MY02/03 domestic harvest;

Table #3. Exports of wheat and barley in MY01/02 in MT

Exports of wheat and barley in MY01/02 in MT					
Milling wheat		Feed wheat		Barley	
Albania	32,318	Portugal	41,058	Romania	49,626
Tunisia	57,631	Algeria	12,470	Israel	8,378
Italy	116,443	Greece	2,750	Tunisia	34,160
Morocco	47,270	Nigeria	18,472	Saudi Arabia	143,832
Ukraine	11,600	Italy	46,825	Morocco	15,225
Iran	79,549	Spain	128,911	Algeria	20,487
Cyprus	11,610	Romania	7,057	Portugal	2,634
Spain	60,510			Libya	4,692
Israel	28,635			Macedonia	4,032
Romania	26,601			Cyprus	4,413
Macedonia	1,300				
Mauritania	6,500				
Greece	6,161				
Total	485,758		257,543		287,479

According to traders, wheat exports in MY02/03 should be characterized as following:

- Higher in volume than in MY01/02 and eventually to exceed 850,000 MT; current exportable surplus is estimated at 800,000 MT to 1.0 MMT;
- More evenly distributed during the marketing year and not concentrated in the post harvest time;
- Consist of mainly feed wheat, therefore, to be directed to traditional feed wheat export markets (ref: Table#3);
- Average FOB export prices will be lower both in U.S. dollars and in local currency;
- Higher exports to neighboring countries such as Romania, Macedonia and Serbia due to short crops in these markets.

In the month of July 02, Bulgaria exported 56,000 MT of milling quality wheat which was from 2001 crop. Exports were as follows:

MY02/03 Wheat Exports in MT	
Tunisia	4,055
Spain (feed wheat)	25,997
Italy	20,512
Greece	1,541
Turkey	4,005
Total	56,110

Barley

MY01/02 barley exports were record high at 290,000 MT, with the major export market being Saudi Arabia at 144,000 MT (or 52 percent of total exports); and Romania at 50,000 MT (see Table#3). It is assumed that most exports to Romania were eventually re-exported from the Constantza port to supplement Romanian export lots. The quality of barley was very good which facilitated exports. As with wheat, barley was intensively exported in the post harvest period - June/July'01 and through the fall. Almost nothing was exported after January 2002 due to depleted stocks. Average FOB Black Sea port export prices were $76/MT to $99/MT during the marketing year.

The MY02/03 barley market is developing well. Local breweries were active on the market along with exporters. Barley was moving out faster than wheat and for 25 days (July 1- July 25), a total of 145,500 MT was exported to: Syria, 5,223 MT; Algeria, 5,500 MT; Saudi Arabia, 60,000 MT; and the balance to Romania via Danube ports in barges from 1,500 MT to 5,000 MT. Larger lots, above 10,000 MT, were exported via Black Sea ports.

According to traders, total MY02/03 barley exports may potentially exceed 300,000 MT or even be closer to 400,000 MT, thanks to excellent quality and strong prices.

Corn

Bulgaria's MY01/02 (October 2001 until mid-July 2002) corn exports were not significant at 20,000 MT (of which Turkey, 15,000 MT). Exports occurred in January - February 2002 with minor shipments in June'02, mainly to Turkey. In July'02, another 5,000 MT were exported to Turkey on the top of the above figures, so total exports may reach 30,000 MT by the end of MY01/02. The major reason for weak MY01/02 exports (non-"GMO"corn) were short supply and moderate quality.

Corn imports were higher than usual and totaled 110,000 MT for the period October 2001- mid-July 2002. All imports came from Hungary and went to a starch plant in Bulgaria for non-feed use. The latest shipment in July'02 was 10,000 MT, so total MY01/02 imports may reach 140,000 MT. These

imports are regularly scheduled and are stimulated by domestic shortages of commercial lots with good and consistent quality as well as lack of local availability over time.

Table #4. MY01/02 Corn Exports and Imports in MT

MY01/02 (as of July 2002) Corn Exports		MY01/02 (as of July 2002) Corn Imports	
Turkey	15,609	Hungary	109,097
Tunisia	2,678	Hungary* July02 only	9,834
Albania	1,757		
Turkey* July 02 only	5,258		
Total	25,302		118,931
Note*:July 2002 one month only			

Sunflower

Despite the short MY01/02 crop, exports were stimulated by good export prices and the strong U.S. dollar. Local crushers could not offer attractive pricing vis-a-vis traders, and thus sunflower exports increased. As a result, MY01/02 exports were 68,000 MT (or even up to 78,000 MT according to other sources) of which 61,000 MT was oil bearing, black sunflower seeds and 7,000 MT was striped, black and white "feed" sunflower. The major export destination for oil bearing sunflower was Turkey, and for striped sunflower the primary destination was Austria. At the same time, the short crop and the strong exports led to a local shortage resulting in a small imports of sun seeds - 2,148 MT (730 MT from Ukraine; and 1,418 MT from Turkey) and vegetable oils in MY01/02.

Table# 5. MY01/02 Sunflower Exports in MT

MY01/02 (as of July 02) Exports of striped sunflower, MT		MY01/02 (as of July 02) Exports of oil bearing sunflower, MT	
Hungary	700	Syria	4,103
Austria	6,100	Spain	22,967
		Turkey	28,832
		Portugal	5,331
Total	6,800		61,233

Soybeans and Byproducts

In MY01/02, Bulgaria started to actively import soy oil, both refined and crude, as well as some smaller quantities of rapeseed oil. Major suppliers of less expensive sunflower oil were Ukraine and Turkey. Soy oil was supplied by the U.S., Spain, Turkey, Greece and Israel and was reportedly crushed from U.S. soybeans.

In MY01/02, Bulgaria, for the first time, imported soybeans for crushing. There was a single soybean shipment of U.S. origin (12,000 MT). Imports of soybean meal in July 01- July 02 also increased and totaled 71,000 MT with a major suppliers Brazil, 27,000; Argentina, 36,000 MT, followed by Greece, 3,000 MT; USA, 3,000 MT; and Romania, 2,000 MT.

In MY02/03, Bulgaria is likely to continue imports of soy oil and soybeans for crushing. Most U.S. soybeans should be timed to arrive in winter when crushers and processors have a good understanding of remaining sunflower stocks and prices.

Table #6. MY01/02 Imports of vegetable oils, MT

MY 01/02 (as of July02) Imports of sun oil		MY 01/02 (as of July02) Imports of soy oil		MY 01/02 (as of July02) Imports of rapeseed oil	
Ukraine	5,579	USA	1,716	Germany	4,000
Turkey	2,501	Turkey	3,166	Holland	3,000
		Israel	1,798		
		Spain	3,021		
		Holland	1,000		
Total	8,080		10,701		7,000

Policy

Export subsidy considered

Low farm gate wheat prices caused protests among farmers in July 2002. While in MY01/02, local prices varied between 160 leva/MT ($72/MT) to 185 leva/MT ($84/MT); in MY02/03/July, local prices are between 120 leva/MT ($63/MT) and 140 leva/MT ($73/MT). Prices fell to 80 - 110 leva/MT ($41-$57/MT) for feed wheat at times. On average, the decline in prices is about 30 percent. According to some independent observers, current wheat prices are the lowest since 1993. Prices fell down due to the recently weak dollar, greater supply, poor quality, higher ending stocks from MY01/02, slow exports and tough regional competition. Some experts forecast a further decline in prices in September to $50-60/MT, when the supply situation with Russian/Ukrainian crops and

exports will be more clear, and when local farmers will need to sell in an effort to finance fall planting inputs as well as to free up storage space for incoming harvests of sunflower and corn.

Farmers have appealed to the GOB to introduce wheat minimum purchase prices to cover production costs. They consider a price of 160-165 leva/MT ($84/MT) to 180 leva ($93/MT) a reasonable minimum "support" price depending on the quality.

However, as of July 2002, the GOB will not introduce minimum purchase prices. This is not in line with the market-oriented GOB policy. There are no state funds for covering the difference between the market price and the minimum purchase price. The Ministry of Agriculture recently declared that, for the first time, a wheat export subsidy will be introduced through a major revision of the current legislation. Initially, export subsidies were discussed for 2004, but with the current problems in the farm sector, the subsidies may begin in 2003 or even earlier, depending on the availability of government funds. According to GOB officials, the wheat export subsidy is planned to be within limits allowed by current international agreements with the WTO and the EU. Another argument in a favor of an export subsidy is the fact that two regional competitors, Romania and Ukraine, also have such a subsidy.

According to the Ministry of Agriculture, the Bulgarian agreement with the WTO allows for wheat exports subsidy of not more than 2,390,000 Euro per year. Currently, the proposed wheat export subsidy is about 10 leva/MT ($5.20). As such, no more than 500,000 MT of wheat can be subsidized for export. This amount of subsidy, although not final, is not satisfying farmers who want at least $10-12/MT. An important element of the future subsidy is that it is "quality" targeted or valid for very good-to-high quality milling wheat. The subsidy will be available to local exporters upon presentation of export documents.

The effect of export subsidies is disputable. Most experts think that the subsidy will have a positive role in providing motivation for exports thus diminishing pressure on supply. However, the export subsidy is likely to provide benefits to a limited number of grain entities which dominate the current grain market. Therefore, farmers may not see any benefits. Members of the Parliament, Ministry of Agriculture and industry are discussing the export subsidy mechanism in an effort to achieve WTO "green box" support targeting high quality. Experts are unanimous that the export subsidy can support market development only if the mechanism for its application is transparent and efficient.

Along with small farmer protests against low prices, there is an increasing number of very efficient farmers, usually holding larger farms, who believe that "prices are low for bad farmers" and thus with good efficiency and yields of 3.5 MT/HA, even with the current level of farm gate prices, producers can make a profit. According to these farmers, annual profit margins from grain crops vary between 50 and 80 percent. These farmers have yields of 4.0 - 5.0 MT/HA, their grain quality is very good, and the farmers realize a reasonable profit.

Current regulations do not allow the GOB to subsidize exports of any agricultural commodity. The GOB is working on elaborating an export strategy which will include three major elements:

- investment credits which will provide long term funds for ag producers and processors;
- investment subsidies which are aimed at modernizing and upgrading technology;
- operational subsidies including export premiums. The major goal of this policy will be to stimulate production of high quality raw and processed ag products which meet the EU quality standards.

According to official statements of MinAg officials, Bulgaria will stop providing soft, short-term credit for inputs (from State Fund Agriculture). Instead, the state support will be targeted at high quality, final raw and processed ag products. The old policy with one- year, soft credit lines for fall planting will continue to exist in MY03/04, but will likely be terminated in late 2003. This policy of eliminating the GOB's soft credit for grain farmers (inputs) is also in line with the World Bank requirements for Bulgarian ag sector development.

Grain Intervention Agency

In addition to the work on export subsidies, the GOB will accelerate its work on establishment of a Grain Intervention Agency as required by the European Union. Initially, such an Agency was to be established in 2004. However, farmers insisted on GOB intervention by the State Reserve to purchase 50,000 MT to 100,000 MT at 170-175 leva/MT ($87/MT) in order to "stimulate" the market. The introduction of an EU-style intervention agency in a small, thinly traded grain market could negatively impact use of public grain warehouses.

Trade Negotiations

Bulgaria is currently holding talks with the EU on a "double profit" accord for increasing Bulgaria's wheat export quota to the EU from 2,000 MT to 200,000 MT. The MinAg plans to finalize negotiations by the winter, so that the country could use this export quota starting July 2003.

In general, the MinAg goal is to promote exports of at least 1.0 MMT of wheat annually. The target markets announced by the MinAg are Middle East countries; Spain and Portugal.

Fall planting MY03/04

In a recent regulation change for the State Fund Agriculture, the limit for soft loans provided to farmers was increased. The maximum amount for loans extended to cooperatives was doubled from 70,000 leva ($36,000) to 140,000 leva ($72,000). The MinAg also announced that the GOB is considering possible rescheduling of farms debt from northwest Bulgaria due to bad weather which negatively affected the crops. With this decision, these cooperatives will continue to work and to plant this fall instead of undergoing bankruptcy procedures.

The amounts allocated for MY02/03 as soft, short-term credits (fall grain planting) is 15 million leva ($7.7 million). These soft credits will include a 33 percent subsidy for planting seeds and a 25 percent subsidy for fertilizers. Total allocated budgets are 7.5 million leva ($3.9 million). This covers 5.0 million leva which is the credit portion and 2.5 million leva which is the subsidy portion.

The State Fund Agriculture also approved a subsidy for storage of grains in public warehouses of 1.5 leva/MT/month ($0.78) and allocated 1.5 million leva for this purpose. Currently, Bulgaria has 36 licensed public warehouses with a total capacity of 400,000 MT.

According to farmers' groups, low farm gate prices will negatively affect farmers' plans for fall planting. It is expected that many farmers will not be able to pay for inputs (seeds, fertilizers) which will reduce the planted area. The reduction in area is expected to be about 10 percent overall, mostly in the wheat sector.

Prices

Wheat and wheat flour: See policy section for wheat prices. Prices of wheat flour fell as a result of the wheat price decline. For the most widely used wheat flour (type "500"), the decline is 28 percent compared to a year ago; for the type "700", the drop is 30 percent; and for the type "1150", the drop is 46 percent.

Barley: Farm gate price of barley in MY01/02 varied between 160 leva/MT ($72/MT) in July 2001 to 170 leva/MT ($77/MT) in March 02. Prices in July 02 for the 2002 crop were 110-130 leva/MT ($57-$67/MT) due to higher local production. Prices FOB Black Sea ports are about 130 leva/MT ($67/MT). High quality malting barley is traded at 160 - 165 leva ($83/MT) including transportation to a brewery.

Corn: In MY00/01 and MY01/02, corn had stable farmgate prices in post harvest period at above 200 leva/MT (October 2000 - 217 leva/MT, October 2001 - 207 leva/MT) or about $100/MT. In general, MY01/02 corn prices fluctuated lower or very close to $95-98/MT while in MY00/01, corn prices reached 250-260 leva/MT ($113-115/MT). In 2002, January - July, corn continued to be traded at relatively high prices 190-205 leva ($103/MT).

Sunflower: In MY01/02, sunflower post harvest farmgate prices were record highs for the last 3 years at 305-375 leva/MT($152-187/MT), and increased to 480 leva/MT ($240/MT) in March 2002 (ref: BU#2007). It is expected that prices in MY02/03 will be also high but slightly lower than in MY01/02 due to anticipated higher supply.

Note: Exchange rate in July 2002 was fluctuating from 1.9 to 2.0 Bleva per one U.S. dollar.